



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Adopt resolution authorizing the City Manager to allocate a Public Benefits Program grant to Quashnick Tool Corporation for a demand-side management project (\$13,225.06) (EUD)

**MEETING DATE:** October 6, 2004

**PREPARED BY:** Electric Utility Director

**RECOMMENDED ACTION:** That the City Council adopt a resolution authorizing the City Manager to allocate a Public Benefits Program grant in the amount of \$13,225.06 to Quashnick Tool Corporation for a demand-side management project.

**BACKGROUND INFORMATION:** In recent years, Quashnick Tool Corporation, located at 401 S. Main Street, has embarked upon a facility-wide demand-side management improvement process. This effort involves the replacement of various pieces of heavy manufacturing equipment (primarily plastic injection molding machines), as well as investing in energy efficient computer equipment, and potentially replacing the facilities aging, inefficient lighting system. *(Note: Quashnick Tool Corporation representatives are considering utilizing the Public Benefits Program grant to continue their effort of modernizing the plant, increasing productivity and reducing energy consumption).*

This particular Public Benefits Program grant of \$13,225.06 reflects the standard fifteen (15) percent rebate or grant provided to large commercial or industrial customers that install high efficiency equipment. Representatives of Quashnick Tool Corporation have replaced two 20-year-old plastic injection-molding machines (a 75-ton unit and a 200-ton unit), that were hydraulic, reciprocating machines, and have purchased and installed a new, electric injection-molding machine (the Nissei NEX2000, 125-ton unit).

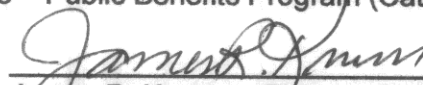
This new unit consumes approximately seventy-five (75) percent less electricity than the two previous injection molding machines (the old, inefficient hydraulic units were designed to operate at full capacity, virtually non-stop during production hours; the new, electric Nissei NEX2000 has a three-speed capability, along with an "idle" mode, allowing Quashnick Tool operators to vary the speed or simply shut the machine down during non-production time. The variable speed capability, along with the "idle" mode function, lead to reduced energy consumption, while increasing the operator's flexibility during manufacturing hours).

Electric Utility staff respectfully recommends approval of this Public Benefits grant as a qualifying component of the City of Lodi Public Benefits Program, in the category of demand-side management or energy conservation.

APPROVED:   
Janet S. Keeter, Interim City Manager

**FUNDING:** 164605 – Public Benefits Program (Category: Demand-side Management)

**Funding Approval:**

  
James R. Krueger, Finance Director

  
Alan N. Vallow  
Electric Utility Director

**PREPARED BY:** Rob Lechner, Manager of Customer Service & Programs

ANV/RL/lst

cc: City Attorney

RESOLUTION NO. 2004-202

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE  
CITY MANAGER TO PROVIDE A PUBLIC BENEFITS PROGRAM  
GRANT – DEMAND-SIDE MANAGEMENT PROJECT TO  
QUASHNICK TOOL CORPORATION

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WHEREAS, the state has mandated that beginning January 1, 1998, the City of Lodi is obligated to fund various programs through a Public Benefits Charge (PBC) based on an historical electric revenue requirement; and

WHEREAS, the requirement amounts to approximately \$1 million per year that must be dedicated to qualifying programs such as energy efficiency. A further stipulation is that these efforts must be done on the customer's side of the meter in order to qualify; and

WHEREAS, the City of Lodi's Public Benefits Program is comprised of four segments or customer groups: commercial/industrial, residential, community/non-profit, and municipal; and

WHEREAS, the Electric Utility Department recommends that the City provide a Public Benefits grant in the amount of \$13,225.06, which reflects the standard 15% rebate or grant, for the replacement of two 20-year-old plastic injection-molding machines (a 75-ton unit and a 200-ton unit) that were hydraulic, reciprocating machines with an electric injection-molding machine (the Nissei NEX2000, 125-ton unit); and

WHEREAS, the new unit consumes approximately 75% less electricity than the two previous injection molding machines. The old, inefficient hydraulic units were designed to operate at full capacity, virtually non-stop during production hours; the new, electric Nissei NEX2000 has a three-speed capability, along with an "idle" mode, allowing Quashnick Tool operators to vary the speed or simply shut the machine down during non-production time. The variable speed capability, along with the "idle" mode function, lead to reduced energy consumption, while increasing the operator's flexibility during manufacturing hours.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby authorizes the City Manager to provide a Public Benefits Program Grant in the amount of \$13,225.06 to Quashnick Tool Corporation to fund a demand-side management project as set out above.

Dated: October 6, 2004

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I hereby certify that Resolution No. 2004-202 was passed and adopted by the Lodi City Council in a regular meeting held October 6, 2004, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hitchcock, and Howard

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – Land and Mayor Hansen

ABSTAIN: COUNCIL MEMBERS – None

  
SUSAN J. BLACKSTON  
City Clerk